

**System Coordination Office's  
Suggested “Best Management Practices”  
For  
Developing a Project Charter**

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## **1.0 Purpose**

This guide is part of the overall project management “Best Management Practices” that have been developed by the System Coordination Office (SCO) WO-570D. It provides the project proponent, project sponsor and project managers with uniform requirements and specific instructions for developing a project charter for their projects. These existing guidelines may change as experience is gained and the Project Management framework undergoes continuous improvement.

The purpose of this guide is to provide project managers with specific objectives, requirements, suggestions, and procedures on charter development within BLM. It cannot provide an exhaustive treatment of the subject matter. It is strongly suggested that the project manager have had or receive formal training in project management and project charter development techniques.

The secondary purpose for developing these standardized guidelines is to provide uniform direction and procedures with which the Project Manager and Sponsor would utilize to identify and charter a Project Team.

## **2.0 Applicability**

These standardized guidelines apply to *all* projects, or efforts being managed as projects, that were subject to the ITIB review process and that were approved by the ITIB. *All* Project Managers working on such projects will be evaluated based on their conformance to these guidelines.

## **3.0 Management Objectives**

The objectives of these guidelines are to establish a standardized process for developing and maintaining a project charter.

It is the responsibility of the Project Manager with support and input from the Project Sponsor to develop a Project Charter following the recommended template provided. The template provides a suggestion for the Charter and it is not all inclusive; however, by providing more detailed information a better avenue for communication can be realized and the success of the Project increases. It is the responsibility of the Project Sponsor to approve and sign the Project Charter.

By developing a Project Charter, a contract is created between the Sponsor, the Project Manager, and the Project Team. This contract will enable the Project Manager to obtain the authority and responsibility necessary, increasing the

success of the Project. By participating in the Project Charter development the Project Sponsor has a better understanding of their roles and responsibilities and how they can help to ensure the success of the project.

#### **4.0 Standardized Guidelines for Project Managers**

Following the approval of the Business Case - Exhibit 300 and prior to the development of the Project Plan, the Project Charter should be developed. Information provided in the Business Case - Exhibit 300 could be used in the development of the Project Charter. The Project Charter provides the responsibility and authority of the Project Manager and the Project Sponsor, as well as, a high-level scope statement and description of the Project. The charter should identify each of the Integrated Project Team members, their anticipated length of time on the Project and their individual roles and responsibilities. The Project Charter is a document that conveys the purpose and requirements of the Project to the Project Team – the “who”, “what”, and “why” of the Project. The Project Charter details the sponsors, customers and organizational expectations on how the project will be managed and what the high level deliverables will be.

The Project Charter **should** contain the following elements:

**A. Project Name**

**B. Sponsor**

**C. Contact Phone Numbers for Sponsor and Project Manager**

**D. Date Prepared**

**E. Project Sponsor Responsibility**

**F. Project Manager Responsibility**

The responsibility of the Project Manager should be clearly described and agreed upon by the Project Sponsor and Project Manager.

**G. Project Manager Authority**

The authority of the Project Manager should be clearly described and agreed upon by the Project Sponsor and Project Manager.

**H. Integrated Project Team Member Names**

Team names should be specific and areas of responsibility should be described.

**I. Integrated Project Team Members Responsibility**

Team members should know exactly what their area responsibility is for the Project.

**J. Integrated Project Team Members Required Time**

Team members and their supervisors should know how long *and when* they are expected to remain with the Project. Negotiations for additional time should be done by the Project Manager with the Sponsor and Team members supervisor.

**K. Authorizing Signatures**

To strengthen the charter it **may** contain the following elements:

**L. Overview of the Project Scope.**

To describe the high level objectives, deliverables (as described in the Business Case/Exhibit 300), and customers of the project, as well as the customers' expectations for the final deliverables. If the team members have a clear understanding of the project scope, they will be better able to satisfy the customer.

**M. The team's boundaries for creating the deliverables.**

To define the start and end of the team's involvement in helping to create the product, service, process, or plan, so that the team does no more and no less than is required. Determine the stage where the project team members will begin their work, and the stage in which their work will end.

**N. Definition of the customers' criteria for acceptance.**

To tell the team what criteria the customer will use for judging the acceptability of the final deliverables. Knowing this helps the team create final deliverables that meet the customers' standards.

**O. Determine the required reviews and approvals.**

To identify who is responsible for providing review and approval for the interim and final deliverables. Reviews help the team to detect problems or concerns with the deliverables (interim and final) and to avoid or decrease any rework that results from not discovering potential problems early in the project. Make a list of the deliverables that require review and approval.

**P. Establish risk limits.**

To define the maximum degree of risk that the team should allow in its production of the final deliverables. These risk limits help the team to develop corrective or preventive measures for the final deliverables that have an unacceptable degree of risk to the organization. This risk is the uncertainty of not being able to physically produce the final deliverable according to the criteria set by the customer – of not having the ability, skill, or technological knowledge to create the final deliverable as promised. It does not include the risk of not having the needed resources. Use a scale from 1 – 10 and assign a number to represent the risk limit for each final deliverable. Reference the SCO BMP on Risk Management.

**Q. Set limits on staffing and spending.**

To convey the limits on the amount of staff time and the amount of money that the organization will agree to commit to the project. Knowing these limits will help the team to define staffing and spending budgets that are in sync with the amount of money the organization is willing to provide to support the project.

**R. Create a list of required reports.**

To tell the team what reports are required by the IT Investment Management Process so that the progress of the project can be monitored. These reports help the team to monitor their own progress, provide information to the sponsor and customer, and keep the project on track.

**S. Identify organizational constraints and project priorities.**

To identify any organizational constraints that must be imposed on the project and to assign internal project priorities. Organizational constraints and priorities enable the team to create final deliverables that reflect the special needs of the organization.

Appendix A is the recommended format for developing a Project Charter.

**4.1 Project Charter Approval and Change Management Process**

The Project Sponsor is the approving official for the Project Charter. Signatures on the signature page indicate that those individuals approve of the charter and information contained within.

Throughout the life cycle of the project, changes will occur. This may cause a change in the accuracy of the Project Charter. Changes may include: personnel changes, funding changes, schedule changes, and scope changes. To ensure the success of the project, these changes need to be reflected in the Project Charter. The Project Charter change process should follow normal management channels. The Project Manager should approach the Project Sponsor with a change request and the Project Sponsor would approach those necessary to fulfill the change request. Outlining this process and those personnel involved in the Change Management Process within the Project Charter is recommended.

**4.2 Project Charter Distribution**

Project Sponsor  
Assistant Director's IRM Advisor/Portfolio Manager  
Integrated Project Team members  
Functional Managers  
Stakeholders / Users  
System Coordination Office

## 5.0 Appendix A. Charter Format

### Project Charter

Project Name	Project UPI #.	Prepared By	Preparer's Initials
Sponsor	Contact	Contact's Phone #	Date Prepared

**TO: (Distribution)**  
**FROM: (Initiating Authority)**  
**SUBJECT: Project Charter for (Project)**  
**Assignment**

(PM Name) is authorized as Project Manager for the (Sponsor/Project Name) effort. (PM Name) is designated to ensure customer satisfaction and to shepherd the project to a successful conclusion, as described in this charter. (PM Name) will be responsible for internal and external communication and cooperation with responsible functional managers included in the distribution list.

### Responsibility

The project manager will –

- Be the primary point of contact for (internal organization) and (sponsor)
- Ensure team members know their responsibilities
- Track and manage team member performance
- Track overall project performance
- Prepare a detailed project plan, and get agreement to that plan from the related functional managers
- Prepare, submit, and maintain all Capital Planning and Investment Control (CPIC) documents as required (i.e. Annual Exhibit 300 or 300-1).
- Deliver all agreed to deliverables
- Maintain a project binder containing all pertinent project data
- Report project status to management
- Manage the project

The project sponsor will –

The Integrated Project Team (IPT) will -

**Authority**

The project manager's authority includes –

Authority to direct the *integrated* project team

Access to (sponsor's name) on all matters related to this effort

Access to the functional managers on all matters related to this effort

Control of the project budget

Access to financial reports related to project expenditures, including time and attendance

Renegotiation with functional managers to delegate responsibility and authority to functional organization team members

<b>Project Scope</b>
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**Project Objective**

**Project Customers**

**Stakeholder Needs**

**Stakeholder Requirements**

**Final Deliverables**

**Organizational Deliverable**

**Organizational Goal**

**Reviews and Approvals Required**

<b>Project Scope Risk</b>
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**Risk Limits**

**Rating Scale**

<b>Project Resources</b>
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**Team Members and Responsibilities**

**Organizational Priorities**

**Organizational Constraints**



**Deadlines**

**Staffing Limit**

**Spending Limit**

<b>Project Status Reports</b>
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**Reports Required**

**ITIB Quarterly Reports**

**Annual Exhibit 300 / 330-1**

**Project Sponsor Signature**

**Name:**\_\_\_\_\_

**Title:**\_\_\_\_\_

**Project Manager Signature**

**Name:**\_\_\_\_\_

**Title:**\_\_\_\_\_

## **References**

- Project Management Memory Jogger. A Pocket Guide for Project Teams. MartinTate, LLC. 1997.
- Managing Information Technology Projects: Workshop. ESI International. Project Charter Tool. June 2001